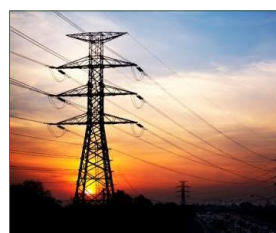


# Proposed modifications to NI Water's Instrument of Appointment

22<sup>nd</sup> July 2013



## About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Social; and Water. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

### Our Mission

Value and sustainability in energy and water.

### Our Vision

We will make a difference for consumers by listening, innovating and leading.

### Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

## Abstract

NI Water has accepted the PC13 price control covering the period 2013-15. As part of PC13 the Utility Regulator and the Department for Regional Development signed a revised Consequent Written Agreement to accompany the agreed Memorandum of Understanding (MoU). Amendments to NI Water's licence are required to reflect this MoU. The modifications apply to Conditions B, C and K of the licence. These are largely minor and relate to amendments to reflect the current and future price control period structure, the treatment of unused K and the required duration of future Estate Management Plans.

## Audience

Water industry, consumers, statutory bodies, consumer groups and other wider stakeholders.

## Consumer impact

The proposed licence amendments would more accurately reflect the current price control structures and provide greater certainty for customers in terms of limiting the carry forward of K to three years and within a price control period.

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**NOTICE UNDER ARTICLE 20(2)**  
**OF THE WATER AND SEWERAGE SERVICES (NORTHERN IRELAND)**  
**ORDER 2006**

Pursuant to its powers under Article 20(1) of the Water and Sewerage Services (Northern Ireland) Order 2006 (hereafter referred to as the “**Order**”), the Northern Ireland Authority for Utility Regulation (hereafter referred to as the “**Authority**”), having obtained the consent of Northern Ireland Water Limited (the “**Licensee**”), hereby gives notice as follows:

- 1 It proposes to make modifications to the Instrument of Appointment granted to Northern Ireland Water Limited by the Department for Regional Development on 23<sup>rd</sup> March 2007 (the “**Licence**”) under its powers extant under Article 20 (1) of the Order
- 2 The proposed modifications are to:
  - (i) Condition B, paragraphs 1.2, 10.1 and 13 (relating to categorisation of charging years included within PC13 and future price control periods);
  - (ii) Condition B, paragraph 5.4 (in relation to the treatment of unused K).
  - (iii) Condition C, paragraph 11.1 (relating to the periodic review level of Infrastructure Charges).
  - (iv) Condition K, paragraphs 5.1 and 5.2 (to specify the period to be covered by future Estate Management Plans);
- 3 The effects of the proposed modifications will be to:
  - (i) Align the licence to reflect the three year Price Control period for PC10, the two year Price Control period for PC13, the six year Price Control period for PC15 and allow for the structure of future Price Control periods;
  - (ii) Specify the period relating to which a review of Infrastructure Charges relates.

- (iii) Amend NI Water's licence to restrict the recovery of unused K beyond a three year period or to the end of a Price Control; whichever is the shorter period.
  - (iv) Require future Estate Management Plans to cover a ten year period.
- 4 The reasons for the proposed modifications are to:
- (i) Reflect the charging years encompassed by known Price Control periods and future Price Control periods.
  - (ii) Ensure alignment of any review of Infrastructure Charges with the Price Control period.
  - (iii) Amend NI Water's licence to define the period over which unused K can be recovered to reflect PC13 Final Determination documentation.
  - (iv) Update Estate Management Plan submissions to cover a period of ten years in order to facilitate strategic planning.
- 5 A copy of the proposed modifications can be viewed during normal office hours, and can be obtained (free of charge) from:

The Utility Regulator  
Queens House  
14 Queen Street  
Belfast BT1 6ED  
Tel: 028 9031 1575  
Fax: 028 9031 1740  
Email: [Deirdre.Matheson@uregni.gov.uk](mailto:Deirdre.Matheson@uregni.gov.uk)

Alternatively, these modifications can be downloaded from our website:

<http://www.uregni.gov.uk/>

- 6 Representations or objections with respect to any or all of the individually proposed modifications may be made on or before 19 August 2013 to the same address. In the interests of transparency and in accordance with standard Utility Regulator practice for consultations, we propose to publish all consultation responses.
- 7 The Authority has, pursuant to Article 20(3) (b) of the Order, served a copy of this notice on the Licensee and the Department for Regional Development.

Dated this 22 day of July 2013

A handwritten signature in black ink, appearing to read 'Jo Aston', written in a cursive style.

**Jo Aston**  
**Director**  
**For and on behalf of the Utility Regulator**